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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

SUSAN BITTER SMITH - Chairman  
BOB STUMP  
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TOM FORESE

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AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY

MLB

IN THE MATTER OF THE APPLICATION OF  
CEDAR GROVE WATER, INC. FOR APPROVAL  
OF A RATE INCREASE.

DOCKET NO. W-20541A-15-0119

PROCEDURAL ORDER

**BY THE COMMISSION:**

On April 9, 2015, Cedar Grove Water, Inc. ("Cedar Grove" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for approval of a rate increase. Cedar Grove's rate application requests authorization to increase its rates to generate an additional \$89,087 in revenues, resulting in a 50.14 percent increase over test year revenues ("TY") of \$177,685 to \$266,772. Under the Company's proposed rates, the typical residential monthly bill, with a median usage of 2,482 gallons, would increase from \$30.57 to \$47.16, an increase of \$16.59 or 54.3 percent.

On April 30, 2015, the Company filed an amendment to the rate application.

On May 4, 2015, the Commission's Utilities Division ("Staff") issued a Letter of Deficiency, requesting that the Company submit additional information related to its application.

On May 22, 2015, Cedar Grove docketed responses to Staff's Letter of Deficiency.

On June 11, 2015, Cedar Grove filed an amendment to its application that included an adjusted Comparative Statement of Income and Expenses.

On June 12, 2015, Staff filed a Letter of Sufficiency, stating that Cedar Grove's application has met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.") R14-2-103 and that Cedar Grove had been classified as a Class D utility.

On July 31, 2015 and August 18, 2015, Cedar Grove filed amendments to its rate application.

1 On August 26, 2015, Staff filed a Staff Report recommending approval of a rate increase  
2 based on Staff's recommendations. Staff recommends an increase in Cedar Grove's rates to generate  
3 an additional \$36,317 in revenues, resulting in a 20.44 percent increase over TY of \$177,685 to  
4 \$214,002. Under the Staff's proposed rates, the typical residential monthly bill, with a median usage  
5 of 2,482 gallons, would increase from \$30.57 to \$36.76, an increase of \$6.19 or 20.2 percent.

6 It is appropriate to require the Company to file either a letter attesting that the Company is in  
7 agreement with Staff's recommendations as stated in the Staff Report or comments discussing any  
8 disagreements with the Staff Report. Further, it is reasonable to allow Staff time to file a response to  
9 any comments/disagreements filed by the Company regarding Staff's recommendations in the Staff  
10 Report.

11 IT IS THEREFORE ORDERED that Cedar Grove Water, Inc. shall file, on or before  
12 September 11, 2015, either a letter attesting that the Company is in agreement with Staff's  
13 recommendations as stated in the Staff Report or comments discussing any disagreements with  
14 Staff's recommendations.

15 IT IS FURTHER ORDERED that Staff shall file, on or before September 25, 2015, a  
16 response to any comments/disagreements filed by the Company regarding Staff's recommendations  
17 in the Staff Report.

18 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
19 Communications) applies to this proceeding and shall remain in effect until the Commission's  
20 Decision in this matter is final and non-appealable.

21 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules  
22 31 and 38 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

23 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance  
24 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona  
25 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings  
26 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for  
27 discussion unless counsel has previously been granted permission to withdraw by the Administrative  
28 Law Judge or the Commission.

1 IT IS FURTHER ORDERED that, as permitted under A.A.C. R14-3-107(B), each party to  
2 this matter may opt to receive service of all filings in this docket, including all filings by parties and  
3 all Procedural Orders and Recommended Opinions and Orders/Recommended Orders issued by the  
4 Commission's Hearing Division, via email sent to an email address provided by the party rather than  
5 via U.S. Mail. To exercise this option, a party shall:

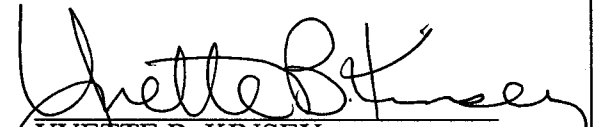
- 6 1. Ensure that the party has a valid and active email address to which the party has  
7 regular and reliable access ("designated email address");
- 8 2. Complete a Consent to Email Service form, available on the Commission's website  
9 ([www.azcc.gov](http://www.azcc.gov));
- 10 3. File the original and 13 copies of the Consent to Email Service form with the  
11 Commission's Docket Control, also providing service to each party to the service list;
- 12 4. Send an email, containing the party's name and the docket number for this matter, to  
13 [HearingDivisionServicebyEmail@azcc.gov](mailto:HearingDivisionServicebyEmail@azcc.gov) from the designated email address to  
14 allow the Hearing Division to verify the validity of the designated email address;
- 15 5. Understand and agree that service of a document on the party shall be complete upon  
16 the sending of an email containing the document to the designated email address,  
17 regardless of whether the party receives or reads the email containing the document;  
18 and
- 19 6. Understand and agree that the party will no longer receive service in this matter  
20 through First Class U.S. Mail or any other form of hard-copy delivery, unless and until  
21 the party withdraws this consent through a filing made in this docket.

22 IT IS FURTHER ORDERED that a party's consent to email service shall not become  
23 effective until a Procedural Order is issued approving the use of email service for the party, after the  
24 Hearing Division has verified receipt of an email from the party's designated email address.

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1 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,  
2 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
3 hearing.

4 DATED this 31<sup>st</sup> day of August, 2015.

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7   
8 YVETTE B. KINSEY  
ADMINISTRATIVE LAW JUDGE


9 Copies of the foregoing mailed  
10 this 31<sup>st</sup> day of August, 2015 to:

11 Cedar Grove Water, Inc.  
12 P.O. Box 364  
Overgaard, AZ 85933

13 Thomas Grapp  
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Tucson, AZ 85754

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16 Legal Division  
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17 1200 West Washington Street  
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18 Thomas M. Broderick, Director  
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21 By:   
22 Tammy Velarde  
23 Assistant to Yvette B. Kinsey  
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